

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 10, 2016

GI-2016-06-SWG-31-02B

Jerry Schmitz
Vice President/Engineering
Southwest Gas Corporation
P.O. Box 98510, LVA-581
Las Vegas, NV 89193-8510

SUBJECT: General Order 112 Inspection of Southwest Gas Corporation, South and North Lake Tahoe and Truckee, Districts 14, 15 and 16

Dear Mr. Schmitz:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Southwest Gas Corporation (SWG) from June 13 through 17, 2016.¹ The inspection included a review of SWG's records for the period of 2013-2015, as well as a representative field sample of SWG's facilities. SED staff also reviewed SWG's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

A Summary of Inspection Findings (Summary), which contains 3 Areas of Concern and Recommendations identified by SED staff, is included as an attachment to this letter.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SWG to address the observations noted in the Summary.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: Laurie Brown, SWG Administrator/Staff Compliance

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

SUMMARY OF INSPECTION FINDINGS

A. Areas of Concern and Recommendations

1. In 2015, to address the lock up issues due to sulfur buildup, SWG implemented a pilot program to install six Welker F-19 pilot filters and monitor the results of these installations. Please provide SED with an update on this pilot program including implementation plans if the program proves to be effective in reducing sulfur buildup.
2. SED reviewed regulator station maintenance records and noted the set points for some stations were set right up to the maximum allowable operating pressure (MAOP). The stations had the working regulator pressure set to MAOP and the monitor regulator pressure set to MAOP plus allowance. SED noted the following instances during maintenance where it was discovered that either the as-found flow pressure or lock-up pressure exceeded the MAOP plus allowance:

Station ID	Inspection Date	Downstream MAOP	MAOP plus allowance	Monitor AF	Monitor Lock-Up
15DR10001576	9/24/2015	60	66	66.7	67.9
15DS10026480	9/5/2013	60	66	65.9	68.7
15DS10026920	8/31/2013	60	66	64.6	66.6
15DR10001577	6/22/2013	60	66	65.7	66.6
15DR10001574	6/8/2013	60	66	65.3	66.5
14DS10031220	7/23/2015	43	49	47	50.4
14DS10031220	10/8/2013	43	49	48.4	51.1
14DR10001568	7/9/2013	43	49	47.7	49.8
15DR10001572	6/17/2016	60	66	64.09	67.2

By setting the monitor regulator pressure to MAOP plus allowance, the monitor regulator is not afforded any buildup pressure before it must reach complete lock-up. Furthermore, given that in the field a pressure buildup is likely before complete lock-up, SED noted the field technicians accounting for this buildup by adjusting the pressure slightly below (~1 psig) the documented set points:

Station ID	Inspection Date	Set Point	AL Pressure
16DS10027120	6/15/2016	Monitor - 38	36.74
14DR10001566	6/16/2016	Worker - 42	41.50
14DR10001566	6/16/2016	Monitor - 47	46.40
14DR10001567	6/16/2016	Worker - 42	41.00
14DR10001567	6/16/2016	Monitor - 47	46.63
15DR10001572	6/17/2016	Worker - 60	57.02
15DR10001572	6/17/2016	Monitor - 66	63.00

3. During field verification, SED noted valve KB-0.28-A in King's Beach (Facility ID 14DVE0002141) as being hard to turn. Please provide SED with an update on the condition of the valve during the next maintenance cycle and if any actions are necessary to address the operability of this valve.